ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02096A

Verde Lee Water Company

V

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009

FOR COMMISSION USE

ANN 04	09

4-6-10

Company Information

Company Name (Business Name) Verde Lee Water Co., Inc.

Mailing Address P.O. Box 984
(Street)

Clifton	AZ	85533
(City)	(State)	(Zip)

(928) 865-4912	(928) 428-0802	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

Email Address N/A

Local Office Mailing Address P.O. Box 984
(Street)

Clifton	AZ	85533
(City)	(State)	(Zip)

(928) 865-4912	(928) 428-0802	N/A
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

Email Address N/A

Management Information

Management Contact: **Forrest G. Wilkerson** (Name) **President/General Manager** (Title)

727 W. Relation Street	Safford	AZ	85546
(Street)	(City)	(State)	(Zip)

(928) 865-4912	(928) 428-0802	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

Email Address N/A

On Site Manager: **Forrest G. Wilkerson** (Name) **President/General Manager** (Title)

727 W. Relations Street	Safford	AZ	85546
(Street)	(City)	(State)	(Zip)

(928) 428-3190	(928) 428-0802	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

Email Address N/A

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Kent Wilkerson
(Name)

727 W. Relations Street	Safford	AZ	85546
(Street)	(City)	(State)	(Zip)

(928) 428-3190	(928) 428-0802	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

Attorney: Irval L. Mortensen

702 S. 8th Avenue	Safford	AZ	85546
(Street)	(City)	(State)	(Zip)

(928) 428-2700	N/A	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area code)	Pager / Cell (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)
☒ C Corporation (C) (Other than Association / Co-op)
☐ Partnership (P)
☐ Subchapter S Corporation (Z)
☐ Bankruptcy (B)
☐ Association / Co-op (A)
☐ Receivership (R)
☐ Limited Liability Company
☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE	☐ COCHISE	☐ COCONINO
☐ GILA	☐ GRAHAM	☒ GREENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOHAVE
☐ NAVAJO	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	174,003	10,840	163,163
304	Structures and Improvements	-	-	-
307	Wells and Springs	44,748	39,939	4,809
311	Pumping Equipment	115,428	115,318	110
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	182,711	- 162,500	20,211
331	Transmission and Distribution Mains	241,072	227,694	13,378
333	Services	-	-	-
334	Meters and Meter Installation	17,882	15,480	2,402
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	168,305	103,690	64,615
340	Office Furniture and Equipment	431	431	-
341	Transportation Equipment	2,436	2,436	-
343	Tools, Shop and Garage Equipment	2,303	2,303	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	TOTALS	949,319	680,631	268,688

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

No.	DESCRIPTION	Cost (1)	Depreciation (2)	Expense (1x2)
301	Organization			-
302	Franchises			-
303	Land and Land Rights	174,003		-
304	Structures and Improvements			-
307	Wells and Springs	44,748	1.690%	756
311	Pumping Equipment	115,428	8.210%	9,477
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs and Standpipes	182,711	1.600%	2,923
331	Transmission and Distribution Mains	241,072	1.388%	3,346
333	Services			-
334	Meters and Meter Installation	17,882	0.600%	107
335	Hydrants			-
336	Backflow Prevention Devices			-
339	Other Plant and Misc. Equipment	168,305	2.170%	3,652
340	Office Furniture and Equipment	431		-
341	Transportation Equipment	2,436		-
343	Tools, Shop and Garage Equipment	2,303		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	-		-
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	-		-
	TOTALS	949,319	2.134%	20,262

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 42,187	$ 63,394
134	Working Funds	-	
135	Temporary Cash Investments	-	
141	Customer Accounts Receivable	14,210	7,851
146	Notes/Receivables from Associated Companies	-	
151	Plant Material and Supplies	-	
162	Prepayments	2,662	2,662
174	Miscellaneous Current and Accrued Assets	-	
	TOTAL CURRENT AND ACCRUED ASSETS	$ 59,059	$ 73,907
	FIXED ASSETS		
101	Utility Plant in Service	$ 949,319	$ 949,319
103	Property Held for Future Use	-	
105	Construction Work in Progress	-	
108	Accumulated Depreciation - Utility Plant	(660,368)	(680,631)
121	Non-Utility Property	-	
122	Accumulated Depreciation - Non Utility	-	-
	TOTAL FIXED ASSETS	$ 288,951	$ 268,688
	TOTAL ASSETS	$ 348,010	$ 342,595

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

	LIABILITIES	YEAR	YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	$ -	$ -
232	Notes Payable (Current Portion)	-	-
234	Notes/Accounts Payable to Associated Companies	-	-
235	Customer Deposits	-	-
236	Accrued Taxes	45	45
237	Accrued Interest	-	-
241	Miscellaneous Current and Accrued Liabilities	1,101	1,407
	TOTAL CURRENT LIABILITIES	$ 1,146	$ 1,452
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ -	$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ -	$ -
252	Advances in Aid of Construction	-	-
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	-	-
272	Less: Amortization of Contributions	-	-
281	Accumulated Deferred Income Tax	-	-
	TOTAL DEFERRED CREDITS	$ -	$ -
	TOTAL LIABILITIES	$ 1,146	$ 1,452
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 328,920	$ 328,920
211	Paid in Capital in Excess of Par Value	-	-
215	Retained Earnings	17,944	12,223
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	$ 346,864	$ 341,143
	TOTAL LIABILITIES AND CAPITAL	$ 348,010	$ 342,595

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	TOTAL REVENUES	$ 113,696	$ 112,366
	OPERATING EXPENSES		
601	Salaries and Wages	28,771	40,526
610	Purchased Water	-	-
615	Purchased Power	15,742	13,960
618	Chemicals	-	-
620	Repairs and Maintenance	475	1,673
621	Office Supplies and Expense	-	631
630	Outside Services	5,755	10,346
635	Water Testing	9,600	8,102
641	Rents	300	215
650	Transportation Expenses	7,289	8,595
657	Insurance-General Liability	3,646	2,000
659	Insurance-Health and Life	-	-
666	Regulatory Commission Expense - Rate Case	-	-
675	Miscellaneous Expense	5,460	5,177
403	Depreciation Expense	20,262	20,262
408	Taxes Other Than Income	2,399	3,325
408.11	Property Taxes	4,229	3,233
409	Income Tax	553	45
	TOTAL OPERATING EXPENSES	$ 104,481	$ 118,090
	OPERATING INCOME/(LOSS)	9,215	(5,724)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	74	-
421	Non-Utility Income	21	5
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	-	-
	TOTAL OTHER INCOME/EXP	$ 95	$ 5
	NET INCOME/(LOSS)	$ 9,310	$ (5,719)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No. 6/9/2000				
Reason for Loan				
Dollar Amount Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principle				

Meter Deposit Balance at Test Year End $ 0 .

Meter Deposits Refunded During the Test Year $ 0 .

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-623670	2.5	200+	8	4"
55-623672	3	8	8	3/4"
55-588765	3	150	8	4"
55-623671	2.5	150	8	4"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.)= 0 .

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	4	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
125,000	1	2000	1
125,000	1	2500	1
125,000	1		
125,000	1		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	Hvy - PVC	8000
5		
6	Hvy - PVC	30716
8	Hvy - PVC	2100
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	190
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:
N/A .

STRUCTURES:
Buildings, Fences, Rock Walls, Warehouse, Dikes, Paving, Metal Racks, Culverts, Restructure, Gates, Land Improvements .

OTHER:
N/A .

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	191	1,054,700	Is 3% per year more
FEBRUARY	187	2,368,200	than Gallons Sold -
MARCH	185	1,208,900	for periodic pipe
APRIL	189	2,195,400	flushing and testing
MAY	188	2,195,400	
JUNE	192	2,383,300	
JULY	191	1,819,400	
AUGUST	191	2,318,900	
SEPTEMBER	191	1,533,200	
OCTOBER	191	1,533,200	
NOVEMBER	190	1,131,800	
DECEMBER	189	979,600	
	TOTAL	20,722,000	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well in your system
(if more than one well, please list each separately)

Well 55623671 - 0.023mg/1
Well 55623670 – 0.011mg/1
Well 55623672 – 0.011mg/1
Well 55588765 – 0.026mg/1

Note: *If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME:	Verde Lee Water Co., Inc	
Name of System:	ADEQ Public Water System Number:	W-02096A

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		N/A	N/A	N/A
FEBARUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS -->				

OTHER (description):

COMPANY NAME: Verde Lee Water **YEAR ENDING 12/31/2009**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: $ 3,233.35

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

_____

_____

_____

_____

VERIFICATION
AND
SWORN STATEMENT

Taxes

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Forrest G. Wilkerson
COMPANY NAME	Verde Lee Water Co.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES ARE SAID COMPANY ARE CURRENT AND PAID IN FULL.

Forrest G. Wilkerson

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 25 DAY OF

COUNTY NAME	Graham
MONTH	March
YEAR	2010

Sheila Bodine

SIGNATURE OF NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES 8/17/2010

OFFICIAL SEAL
SHEILA BODINE
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 17, 2010

COMPANY NAME Verde Lee Water Co. **YEAR ENDING 12/31/2009**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	-9,171
Estimated or Actual State Tax Liability	0
State Taxable Income Reported	-9,126
Estimated or Actual State Tax Liability	45

Amount of Grossed-Up Contributions / Advances:

Amount of Contributions / Advances	0
Amount of Gross-Up Tax Collected	0
Total Grossed-Up Contributions / Advances	0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution / advance, the amount of gross-up tax collected, and amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Forrest G. Wilkerson
Signature

3-25-2010
Date

FORREST G. WILKERSON
Printed Name

PRESIDENT OF CORPORATION
Title

VERIFICATION
AND
SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION
STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Forrest G. Wilkerson
COMPANY NAME	Verde Lee Water Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ _____

(THE AMOUNT IN BOX ABOVE INCLUDES $_____ IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Forrest G. Wilkerson
SIGNATURE OF OWNER OR OFFICIAL

928-425-3190
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 25th DAY OF

COUNTY NAME	Graham
MONTH	March
YEAR	2010

(SEAL)

Sheila Bodine
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/17/2010

OFFICIAL SEAL
SHEILA BODINE
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 17, 2010

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Forrest G. Wilkerson
COMPANY NAME	Verde Lee Water Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ _____

(THE AMOUNT IN BOX AT LEFT INCLUDES $_____ IN SALES TAXES BILLED, OR COLLECTED)

**RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES RAXES BILLED.

Forrest G. Wilkerson
SIGNATURE OF OWNER OR OFFICIAL

1-928-428-3190
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 25 DAY OF

NOTARY PUBLIC NAME	~~Graham~~ Sheila Bodine
COUNTY NAME	Graham
MONTH / YEAR	March / 2010

(SEAL)

X Sheila Bodine
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/17/2010

OFFICIAL SEAL
SHEILA BODINE
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 17, 2010

RECEIVED

MAR 29 2010

AZ CORP COMM
Director Utilities

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION
STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Forrest G. Wilkerson
COMPANY NAME	Verde Lee Water Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 112,365.73

(THE AMOUNT IN BOX ABOVE INCLUDES $ Ø IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Forrest G. Wilkerson
SIGNATURE OF OWNER OR OFFICIAL

928-425-3190
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 25th DAY OF

COUNTY NAME	Graham
MONTH	March
YEAR	2010

(SEAL)

Sheila Bodine
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/17/2010

OFFICIAL SEAL
SHEILA BODINE
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 17, 2010

RECEIVED

MAR 29 2010

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Forrest G. Wilkerson
COMPANY NAME	Verde Lee Water Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATMENT

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Arizona Intrastate Gross Operating Revenues Only ($)
$ 112,365.73

(THE AMOUNT IN BOX AT LEFT INCLUDES $ Ø IN SALES TAXES BILLED, OR COLLECTED)

**RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES RAXES BILLED.

Forrest G. Wilkerson
SIGNATURE OF OWNER OR OFFICIAL

1-928-428-3190
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NOTARY PUBLIC NAME	Sheila Bodine
COUNTY NAME	Graham
MONTH / YEAR	March 2010

THIS 25 DAY OF

(SEAL)

X Sheila Bodine
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/17/2010

OFFICIAL SEAL
SHEILA BODINE
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 17, 2010

Verde Lee Water Co, Inc.
Working Trial Balance

Account #	T	Description	Comparative Dec 31, 2008	12 Months Ended Dec 31, 2009	Adjusting Debits	Adjusting Credits	Adjusted Balance
426.2	E	Taxes - Penalties	87.00	0.00			
461.1	R	Metered Sales - Res Customers	-113,695.99	-112,365.73			
601	E	Salaries and Wages	28,770.83	40,525.98			
615	E	Purchased Power	15,741.83	13,959.71			
620	E	Materials and Supplies	475.17	631.07			
631.1	E	Contractual Svc - Professional	4,413.22	3,765.10			
631.2	E	Contractual Svc - Legal	200.00	0.00			
635	E	Contractual Svc - Testing	9,600.00	8,102.16			
636	E	Contractual Svc	1,141.82	6,580.83			
640.1	E	Equipment Rental	300.00	215.00			
650	E	Auto and Truck Expense	7,289.25	8,595.52			
655.2	E	Insurance	3,645.55	2,000.00			
675.2	E	Bank Charges	43.60	69.20			
675.3	E	Licenses and Fees	1,569.23	1,028.62			
675.4	E	Office Expense	72.94	3,638.83			
675.5	E	Postage	38.00	380.80			
675.6	E	Repairs and Maintenance	3,218.02	1,673.33			
675.7	E	Telephone	517.88	59.06			
		General Ledger Balances	0.00	0.00			
		Profit/-Loss	9,309.68	-5,719.47			

Posting Date:	2009-05-22
Sequence #:	5440581145
Account #:	20904621
Routing Transit:	12210002
Amount #:	$1911.07
Check/Serial #:	000000005877
Bank #:	601
Tran Code:	000000
IRD:	0
ItemType:	P
BOFD:	000000000
Cost Center:	N/A
Teller Number:	N/A
Teller Seq Number:	N/A
Processing Date:	N/A

5877

VERDE LEE WATER CO., INC.
P.O. BOX 984
CLIFTON, AZ 85533

91-2 9
1221

DATE 5-9-09

PAY TO THE ORDER OF GREENLEE COUNTY TREASURER $ 1911.07

ONE THOUSAND, NINE HUNDRED, ELEVEN & 07/100 — DOLLARS

BANK ONE.
Bank One, NA
Phoenix, Arizona 85073
www.BankOne.com

FOR 1/2 PROPERTY TAX + INTEREST Forrest G Wilkerson

⑈005877⑈ ⑆122100024⑆ 20904621⑈ ⑈0000191107⑈

>122105320< 05212009
MTL BK OF AZ
006 5264 AK22200 11 7202013205 4
11901331

5440581145

NATIONAL BANK OF ARIZONA
GREENLEE COUNTY TREASURER

Greenlee County Treasurer
Patricia Hernandez
P.O. Box 1227
Clifton, AZ 85533

May 2009

VERDE LEE WATER CO INC

727 W RELATION STREET
SAFFORD AZ 85546

Re: Parcel Number 300-13-078-H

Pursuant to A.R.S 42-18103: This letter is to notify you that your 2008 taxes are delinquent. Please be advised that additional interest will accrue if the balance is not received in this office by the end of the month.

Summary of Charges

2008	Taxes:	$220.22
2008	Fee(s):	$0.00
2008	Interest:	$1.47
2008	Payments:	$110.11
2008	Balance Due:	$111.58
Total Due on all years:		$111.58

Your prompt action is appreciated. Please return this letter with your payment to assure proper credit. If you have already sent the payment, please accept our thanks and disregard this letter. If you have questions regarding this matter, please call us at (928) 865-3422.

Sincerely,

Patricia Hernandez
Greenlee County Treasurer

Greenlee County Treasurer
Patricia Hernandez
P.O. Box 1227
Clifton, AZ 85533

May 2009

VERDE LEE WATER CO INC

727 W RELATION STREET
SAFFORD AZ 85546

Re: Parcel Number 300-87-086-A

Pursuant to A.R.S 42-18103: This letter is to notify you that your 2008 taxes are delinquent. Please be advised that additional interest will accrue if the balance is not received in this office by the end of the month.

Summary of Charges

2008	Taxes:	$189.58
2008	Fee(s):	$0.00
2008	Interest:	$1.26
2008	Payments:	$94.79
2008	Balance Due:	$96.05
Total Due on all years:		$96.05

Your prompt action is appreciated. Please return this letter with your payment to assure proper credit. If you have already sent the payment, please accept our thanks and disregard this letter. If you have questions regarding this matter, please call us at (928) 865-3422.

Sincerely,

Patricia Hernandez
Greenlee County Treasurer

3/

Greenlee County Treasurer
Patricia Hernandez
P.O. Box 1227
Clifton, AZ 85533

May 2009

VERDE LEE WATER CO INC

727 W RELATION STREET
SAFFORD AZ 85546

Re: Parcel Number 300-13-078-B

Pursuant to A.R.S 42-18103: This letter is to notify you that your 2008 taxes are delinquent. Please be advised that additional interest will accrue if the balance is not received in this office by the end of the month.

Summary of Charges

2008	Taxes:	$373.44
2008	Fee(s):	$0.00
2008	Interest:	$2.49
2008	Payments:	$186.72
2008	Balance Due:	$189.21
	Total Due on all years:	$189.21

Your prompt action is appreciated. Please return this letter with your payment to assure proper credit. If you have already sent the payment, please accept our thanks and disregard this letter. If you have questions regarding this matter, please call us at (928) 865-3422.

Sincerely,

Patricia Hernandez
Greenlee County Treasurer

Greenlee County Treasurer
Patricia Hernandez
P.O. Box 1227
Clifton, AZ 85533

May 2009

VERDE LEE WATER COMPANY FORREST WILKERSON/PRESIDENT

727 W RELATION ST
SAFFORD AZ

Re: Parcel Number 928-00-300

Pursuant to A.R.S 42-18103: This letter is to notify you that your 2008 taxes are delinquent. Please be advised that additional interest will accrue if the balance is not received in this office by the end of the month.

Summary of Charges

2008	Taxes:	$2,988.62
2008	Fee(s):	$0.00
2008	Interest:	$19.92
2008	Payments:	$1,494.31
2008	Balance Due:	$1,514.23
	Total Due on all years:	$1,514.23

Your prompt action is appreciated. Please return this letter with your payment to assure proper credit. If you have already sent the payment, please accept our thanks and disregard this letter. If you have questions regarding this matter, please call us at (928) 865-3422.

Sincerely,

Patricia Hernandez
Greenlee County Treasurer

..0..

111.58 +
96.05 +
189.21 +
1,514.23 +

Total:
1,911.07 *

PAID CHECK #5871
5-9-'09